

Program 050

**DSHS - Long Term Care****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>	1,123.5	1,117,673	1,225,539	2,343,212
<b>Total Maintenance Level</b>	1,194.9	1,207,026	1,269,617	2,476,643
Difference	71.4	89,353	44,078	133,431
Percent Change from Current Biennium	6.4%	8.0%	3.6%	5.7%
<b>Performance Changes</b>				
Homecare Worker Wages		18,104	17,546	35,650
Reduce Nursing Home Rates by 5 Percent		(37,602)	(37,642)	(75,244)
Nonrepresented Agency Providers COLA		4,300	4,305	8,605
Reduce regional staff support	(16.6)	(751)	(907)	(1,658)
Lease, Medical Inflation, and Equipment Reduction		(111)	(106)	(217)
Targeted Vendor Rate Increase		5,686	5,565	11,251
Washington Federation of State Employees Cost of Living Adjustment/Salary Survey		1,762	1,400	3,162
Service Employees International 1199 Cost of Living Adjustment		834	837	1,671
Super Coalition Health Benefits		1,566	1,302	2,868
Classification Revisions		3	3	6
Performance Pay		192	117	309
Nonrepresented Employees Cost of Living Adjustment		771	470	1,241
Nonrepresented Employees Health Benefit Change		221	132	353
Pension Method Change		(2,024)	(1,579)	(3,603)
Nonrepresented Salary Survey Implementation		38	35	73
General Inflation		(180)	(218)	(398)
FTE Staff Adjustment	(5.5)			
Transfers	(1.7)	(132)	(138)	(270)
Expanding Community Service, Phase 2	3.2	1,670	1,669	3,339
Fircrest School #	2.0	2,972	2,971	5,943
Respite Compensation Increase		352		352
Quality Assurance in APS	6.5	558	557	1,115
Expanding Preventative Medical Services		(4,495)	(4,495)	(8,990)
<b>Subtotal</b>	(12.2)	(6,266)	(8,176)	(14,442)
<b>Total Proposed Budget</b>	1,182.7	1,200,760	1,261,441	2,462,201
Difference	59.3	83,087	35,902	118,989
Percent Change from Current Biennium	5.3%	7.4%	2.9%	5.1%
<b>Total Proposed Budget by Activity</b>				
LTC Adult Day Health Community Services		15,370	14,249	29,619
LTC Adult Family Home Community Services		55,225	54,232	109,457
LTC Care Administration	138.6	16,708	16,178	32,886
LTC Eligibility/Case Management Services	667.3	75,277	74,694	149,971
LTC In-Home Services		448,253	484,872	933,125

## HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
LTC Investigations/Quality Assurance	373.7	16,000	52,074	68,074
LTC Residential Community Services	3.2	86,597	84,890	171,487
Nursing Home Services		474,245	468,402	942,647
Program For All-Inclusive Care for the Elderly		7,044	7,043	14,087
Compensation Cost Adjustment		6,041	4,807	10,848
<b>Total Proposed Budget</b>	<b>1,182.7</b>	<b>1,200,760</b>	<b>1,261,441</b>	<b>2,462,201</b>

## PERFORMANCE LEVEL CHANGE DESCRIPTIONS

### Homecare Worker Wages

According to state law, representatives of individual providers who provide home care services to disabled clients must negotiate with the Office of Financial Management for wage and benefit considerations. If an agreement is reached by October 1, the Governor must include costs to implement the terms of the agreement in the Governor's budget. This year, the negotiation process went into interest arbitration. Funding is requested based on the interest arbitration award. This includes funding for the Office of Financial Management, Home Care Quality Authority, and Department of Social and Health Services. (General Fund State, General Fund Federal)

### Reduce Nursing Home Rates by 5 Percent

This proposal reduces the nursing home reimbursement rate by \$75.2 million, reducing lower priority, non-direct rate subdivisions. Rate adjustments include eliminating the direct care floor; eliminating the variable return subdivision; and an 8.5 percent reduction to the property, financing allowance, and support subdivisions. (General Fund-State, General Fund-Federal)

### Nonrepresented Agency Providers COLA

Funding is provided for a wage and related benefit increase to workers that provide personal care services in Aging and Disability Services Administration programs and are employed by private agencies. The increase corresponds to the salary and wage component of the Home Worker Contract for individual providers based on the interest arbitration award. This impacts several activities in the Aging and Disability Services Administration, including the Division of Developmental Disabilities. (General Fund-State, General Fund-Federal)

### Lease, Medical Inflation, and Equipment Reduction

This item eliminates lease, medical inflation, and equipment funding requests. (General Fund-State, General Fund-Federal)

### Targeted Vendor Rate Increase

Funding is provided for a targeted vendor rate increase. The increase is driven by targeted base vendor payments, which represent services by vendors the Office of Financial Management (OFM) identified as most in need of rate adjustments. The funded level represents a 1.5 percent increase for Fiscal Year 2006 and 2.0 percent for Fiscal Year 2007, and is based on annual inflation estimates. (General Fund-State, General Fund-Federal)

### FTE Staff Adjustment

DSHS will centralize its background check FTE staff in the Background Checks Central Unit.

### Transfers

Funding and FTE staff are transferred to centralize funding for certain functions currently split among the various administrations. (General Fund-State, General Fund-Federal)

### Fircrest School #

This item reflects the long-term care impact of the department's residential service initiative which will primarily impact the Division of Developmental Disabilities. This plan provides one of two alternatives for gubernatorial consideration about the future of Fircrest School, a Residential Habilitation Center (RHC) serving people with developmental disabilities. The first alternative is a safe, orderly closure during the 2005-07 Biennium. The second alternative, to continue operating Fircrest School at the current residential population, is reflected as a request in the capital budget to

accomplish needed facility renovations essential to continue operation. This plan for closure is consistent with the active downsizing of Fircrest School by the Legislature and the direction in the transition plan developed at legislative direction in this biennium's budget. Closure under the plan requires approximately 106 community placements and an additional 98 beds in other RHCs. Also included are resources necessary to assist in the transition of residents from Fircrest School to their new placement, a transition plan to enhance staff retention and assist staff at Fircrest to identify opportunities for alternative employment, and a proposal to retain some licensed professional services at Fircrest to enhance community-based services. (General Fund-State, General Fund-Federal)

#### **Respite Compensation Increase**

Funding is provided for an adjustment to Respite Care Services (RCS) program funding to correct a failure to increase funding proportionate to two years of increases to home care agency rates. This adjustment treats RCS the same as other affected programs where additional funding was provided to offset rate increases. (General Fund-State, General Fund-Federal)

#### **Quality Assurance in APS**

Funding is provide for the additional staff needed to meet Centers for Medicare and Medicaid (CMS) requirements for the state to develop self-monitoring activities as outlined in the CMS protocols. The Aging and Disability Services Administration does not currently have standardized quality assurance to monitor the Adult Protective Services program for the consistent application of program policies, procedures, and compliance to statute. This item also supports information technology staff to code additions to the quality assurance tool and provide project management support for business requirements. (General Fund-State, General Fund-Federal)

### **ACTIVITY DESCRIPTIONS**

#### **LTC Adult Day Health Community Services**

Adult Day Health services include rehabilitative therapies to help participants become more self-sufficient, and counseling and support to families caring for a mentally, physically, socially, and/or emotionally impaired family member. Services are intended to delay or prevent entrance, or reduce the length of a stay in 24-hour care settings. Clients meet Medicaid-eligible criteria and have a skilled nursing or rehabilitation need, as determined by a doctor. Quarterly, case managers review eligibility and ongoing need for services, which are provided by contract with local providers or through Area Agencies on Aging (AAAs) that subcontract with local providers. Approximately 2,000 clients receive Adult Day Health services each year.

#### **LTC Adult Family Home Community Services**

A broad range of Aging and Disability Services Administration (ADSA) clientele is served in adult family homes (AFH), private homes that may serve up to six residents. Some AFHs serve primarily higher functioning residents, while other homes specialize in serving individuals with dementia, developmental disabilities, or mental illnesses. AFHs whose provider is a professional nurse will frequently provide limited nursing care for individuals with more complex nursing and medical needs. AFHs may also serve vulnerable adults, as defined in Chapter 74.34 RCW, who are receiving state-provided adult protective services. Clients residing in adult family homes meet the financial and functional eligibility criteria for either the MPC (Medicaid Personal Care) program or the COPES (Community Options Program Entry System) program. ADSA contracts for care for approximately 3,400 clients each year who receive room, board, laundry, necessary supervision, and assistance with activities of daily living, personal care, and social services.

#### **LTC Care Administration**

Administrative staff develop specific services and agency policy for both Area Agencies on Aging (AAAs) and Aging and Disability Services Administration (ADSA) field staff. Other administrative staff provide technical assistance such as accounting and budget, contract management, and computer support for the administration. Forecast and data analysis and the determination and publication of rates for nursing homes, adult family homes, and boarding homes are also provided. Staff process and manage payments for vendors and employees, and collect and report program data to both internal and external customers. Staff perform fiscal and administrative monitoring and evaluation of programs and general administrative functions for other activities.

### **LTC Eligibility/Case Management Services**

The Aging and Disability Services Administration (ADSA) Home and Community Services (HCS) Division determines client eligibility for all long-term care programs, and provides information and referral services, nursing home and community residential placement, and ongoing case management for clients served in community residential settings. Case management consists of assessing and reassessing eligibility, updating and monitoring a plan of care, coordinating non-department services in response to a client's need, responding to emergencies and status changes, and providing any additional assistance a client may need to remain in his/her home.

To be eligible for ADSA programs, an individual must meet both functional and financial eligibility requirements. A comprehensive assessment determines functional eligibility for each client and identifies the need for either the number of hours for in-home care, or the residential level of care. Financial eligibility is based on an individual's income level and resources, and is determined at each local HCS office by a financial services specialist. Case management is available to all long-term care clients, with services designed to prevent premature institutionalization and decrease barriers that may prevent a client from maintaining their present place of residence, or moving to a less restrictive environment. All clients with an initial referral for service receive a face-to-face visit by an HCS case manager. If the client is eligible for a residential placement, case management remains with the HCS case manager. If the HCS case manager determines the individual is eligible for in-home services, the client is transferred to a case manager at the Area Agency on Aging (AAA), who is then responsible for managing all aspects of the case.

### **LTC In-Home Services**

The Aging and Disability Services Administration (ADSA) contracts for care in a client's home with agency or individual providers to enable individuals to remain at home. Clients receive assistance with activities of daily living such as personal hygiene, toileting, bathing, dressing, cooking, and eating. They also receive assistance from the provider for completing household tasks such as shopping, laundry, and housework. Additional services may include assistance with medications or transportation to medical appointments, home-delivered meals, adult day care, environment modifications, special medical equipment, and skilled nursing care. Over 25,000 clients receive in-home services each year.

Private Duty Nursing Services provide nursing care to approximately 75 Medicaid clients over age 18 who otherwise would be institutionalized. To be eligible, the client must require at least four hours per day of continuous skilled nursing care.

The Elderly Nutrition Program supplements the Older Americans Act nutrition program with U. S. Department of Agriculture case payments in lieu of commodities. Senior Farmers' Market Nutrition is a federal grant to provide resources in the form of fresh, nutritious, unprepared fruits and vegetables to low-income senior citizens. The grants provide low-income senior citizens with coupons they may use to exchange for eligible food at farmers' markets, roadside stands, and community supported agriculture.

### **LTC Investigations/Quality Assurance**

The Aging and Disability Services Administration (ADSA) verifies and ensures that licensed facilities, staff, and others who come in contact with vulnerable adults are providing appropriate services and quality care. The administration accomplishes this through surveying and certifying nursing homes, licensing adult family homes and boarding homes, and monitoring the quality of service provided in facilities where out-of-home placements are made. Staff investigate over 8,000 nursing home, adult family home, and boarding home complaints each year. Staff engage in a process of quality assurance and review all case management work to ensure that individuals receive the services they require to remain in their own home, or other community-based settings. Payment authorizations are examined to ensure compliance with federal and state laws, and to identify incorrect client eligibility determination and payment errors. Contract oversight and monitoring of home care agencies and other providers of services to in-home clients are provided through the Area Agencies on Aging.

### **LTC Residential Community Services**

The Aging and Disability Services Administration (ADSA) contracts with licensed boarding homes for Adult Residential Care (ARC), Enhanced Adult Residential Care (EARC), and Assisted Living services. Approximately 1,400 ARC and EARC clients each year receive room and board and assistance with medications and personal care. Residents may receive limited nursing services, limited supervision, and a limited number of clients may receive specialized dementia care, as provided by contracted facilities. Clients living in ARC facilities meet the functional eligibility criteria for either

the MPC (Medicaid Personal Care) program or the COPES (Community Options Program Entry System) program. ARCs work with clients who have mental illnesses, and vulnerable adults as defined in Chapter 74.34 RCW who are receiving state-provided adult protective services. EARC facilities provide clients who are receiving services from the COPES program limited nursing services, in addition to assistance with personal care tasks and supervision. Assisted Living services are provided each year to approximately 5,000 clients who have private apartments with a private bathroom. Services are available 24 hours a day and include assistance with activities of daily living, limited nursing and supervision, and housekeeping. Clients living in assisted living facilities meet the financial and functional eligibility for the COPES program. These facilities generally do not admit or retain individuals with more complex nursing/medical needs, or individuals with significant care needs related to dementia or difficult to manage behavior.

### **Nursing Home Services**

The Department of Social and Health Services provides nursing facility health care to Medicaid-eligible persons who need post-hospital recuperative care, require nursing services, or have chronic disabilities necessitating long-term habilitation and/or medical services. Nursing homes provide 24-hour supervised nursing care, personal care, therapy, and supervised nutrition. The program also gives cash assistance to persons leaving nursing homes to help re-establish them in independent living.

### **Program For All-Inclusive Care for the Elderly**

The Aging and Disability Services Administration (ADSA) contracts with a vendor to provide PACE (Program for All-Inclusive Care for the Elderly) services in King County. The goal of the PACE model is to help clients remain in the community for as long as possible, and the program achieves this by providing comprehensive health and social services that are tailored to meet the unique needs of each client. PACE serves individuals, age 55 and over, who are eligible for nursing facility level of care. Most clients have chronic diagnoses and require close medical and medication monitoring. In addition, all PACE clients require assistance with at least two activities of daily living. Clients may be served in their own homes, in adult family homes, or in nursing facilities as needed. The PACE provider receives a single monthly rate for all enrollees, which is based on the total of all Medicaid expenditures, both acute and long-term care costs. PACE is a voluntary program, however, once a client enrolls, the vendor who operates the PACE program assumes all financial responsibility for all of the medical expenses associated with meeting a client's needs. This financial responsibility continues for the entire length of time that a client remains enrolled, which for the majority of clients is the remainder of their lives. This all-inclusive setting offers a comprehensive array of services such as access to physicians without appointments, and has shown a decreased occurrence of miscommunication between providers.

### **Compensation Cost Adjustment**

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.